On restructuring as above, the farmers will become eligible for fresh loans.

iii. Banks have been advised to grant a one-time settlement (OTS) including partial waiver of interest or loan to the small and marginal farmers who have been declared as defaulters and have become ineligible for fresh credit. Banks have also been advised to review cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

iv. In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders (e.g. private moneylenders). Banks have been permitted to advance loans to such farmers to provide them relief from indebtedness.

v. The banks have been advised to waive margin/security requirements for agricultural loans up to Rs. 50,000 and for agribusiness & agri-clinics loans up to Rs. 5 lakh.

vi. All the Public Sector banks have been advised to reduce their lending rate for agriculture to a single digit rate of not more than 9% per annum on crop loans upto a ceiling of Rs. 50,000/-. This rate will benefit most of the crop loan account holders and will cover almost all the small and marginal farmers.

Growth of FPIs

*151. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLIMANOHAR JOSHI:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that the annual growth rate of food processing industries in the country remained at around 6 per cent in the past;

(b) if not, the annual growth rate assessed from the period 2000 to 2004;

(c) whether it is also a fact that there are ample opportunities for growth of the said industry in the country; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (d) As per the National Accounts Statistics 2005, average annual GDP growth rate of food processing industries including tobacco in the country during

2000-01 to 2003-04 was 7.86%. There is adequate scope for growth of food processing industries in the country. A number of measures have been initiated by the Government from time to time for promotion of food processing industries. Such measures include exemption from payment of excise duty to fruit and vegetable processing units, exemption of most of the processed food items from purview of licensing under the Industrial Development & Regulation Act, 1951, inclusion of FPI sector in the list of priority sector lending, provision of infrastructure and other schematic assistance etc. Recently in 2004-05 for giving boost to growth of food processing industries, Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. In the Union Budget for 2005-06 excise duty of Rs. 1.00 per Kg. on refined edible oil and Rs. 1.25 per Kg. on Vanaspati abolished and customs duty on refrigerated vans was reduced from 20% to 10%.

Fixing profit margin on Drugs

†*152. DR. MURLI MANOHAR JOSHI:

SHRI RAVI SHANKAR PRASAD:

Will the Minister of CHEMICALSAND FERTILIZERS be pleased to state:

(a) whether it is a fact that no maximum limit for earning share of profit by the drug manufacturers in the drug manufacturing industry has been fixed in the present price fixation policy;

(b) if so, the facts in this regard and the percentage of the share of profit being earned by drug manufacturers at present in comparison to the average manufacturing cost;

(c) whether it is also a fact that a committee under the chairmanship of a Joint Secretary has been constituted by Government to decide the limit of trade margin in the drug industry; and

(d) if so, the facts in this regard and by when the said committee would submit its final report?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) to (d) Prices of Scheduled

†Original notice of the question was received in Hindi.